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Executive Order No.

PROTECTION OF NATIONAL SECURITY INFORMATION

By virtue of the authority and discretion vested in me under the Constitution to protect the national security and conduct the foreign relations of the United States, it is hereby ordered as follows:

Section 1. This Order governs certain practices and procedures relating to the protection of national security information and establishes minimum security standards for granting United States Government employees and contractors, and other appropriate persons, access to such information. Additional security standards governing access to national security information may be established by individual agencies to the extent deemed appropriate by such agencies. National security information is information classified pursuant to Executive Order 12356, or any prior or subsequent Orders. This Order does not govern federal employment suitability, and the fact that a person is security disapproved pursuant to this Order does not bar that person from federal employment in a position for which that person is otherwise qualified and for which access to classified information is not required.

Section 2. To protect the security of classified information, the prudent management risk is essential. Risk management requires a careful weighing and balancing by Executive Branch security officials of all factors which suggest that a person may not properly safeguard classified information, and a person may be security disapproved as a result of a security judgment based upon one or a combination of these factors. No person has an entitlement or right of access to classified information and the granting, denial, or withdrawal of such access is committed to the sound discretion of Executive Branch security officials. In view of the low degree of risk to the national security which can be accepted, a critical element in granting access to classified information is whether there

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exists the requisite confidence in a person's ability to protect this nation's secrets of state. In all security evaluations, the protection of the national interest shall be paramount and any doubts concerning a person having access to classified information shall be resolved in favor of the national security and against the person having such access.

Section 3. The factors to be considered in assessing the risk of granting or continuing access to classified information in any given case relate to whether or not the person under consideration may have vulnerabilities or may engage in any exploitable personal conduct or indiscrete behavior, now or in the future. At a minimum, it shall be a prerequisite for any person having access to classified information to be trustworthy, reliable, stable, and to have excellent character, judgment, and discretion. Another prerequisite is that a person should not have a background reflecting criminal activity, abuse of controlled substances and other drugs, alcohol abuse, exploitable sexual conduct, financial irregularities, or significant patterns of indebtedness. A further prerequisite is that a person should be of unquestioned loyalty to the United States and not susceptible to undue influence, coercion, or duress. In this regard, doubts concerning suitability for access to classified information need not stem from evidence of disloyalty itself; questions concerning the security suitability of a person may arise from any of the factors which indicate that a person could pose a security risk to the protection of classified information. During the course of any security investigation conducted to determine whether or not a person should have access to classified information, Executive Branch security officials may take into account the activities of any individuals with whom the person is bound by ties of affection, or with whom the person is in close and continuing contact, and the activities of any individuals in the person's immediate family. Also to be taken into account is whether or not any such individuals are foreign nationals or reside in a foreign country. The nature and scope of any foreign travel performed by the person being considered for initial or continued access shall

be another pertinent factor. Access to classified information can be denied or withdrawn by an Executive Branch agency when it is determined that a person does not meet the security standards of that particular agency, taking into account all of the factors discussed above, or when it is determined that sufficient information cannot be developed to evaluate the person under that agency's security standards. This determination shall be final and unreviewable.

Section 4. When it is determined that a person meets the security standards of an Executive Branch agency, that person may be granted a security clearance or a limited security approval. A person shall not be hired for or placed in a position requiring a security clearance or approval until such clearance or approval has been granted. Classified information may be disseminated by authorized Executive Branch officials to persons without security clearances or approvals if such persons are Members of Congress, Federal judges, officials of foreign governments who have appropriate levels of clearance under their own classification system, or with the permission of the Director of Central Intelligence when necessary in the course of intelligence or counterintelligence operations, or with the permission of the Director of the Federal Bureau of Investigation (FBI) when necessary in the course of law enforcement operations.

Section 5. In order to properly evaluate a person under consideration for being granted access to classified information, that person must undergo an appropriate background investigation. Such background investigations shall be conducted by the Central Intelligence Agency (CIA) when access to CIA information is involved, the Defense Investigative Service when access to Department of Defense information is involved, the Department of Energy when access to atomic energy information is involved, the FBI when access to Department of Justice information is involved and the Office of Personnel Management in all other cases. An agency which would otherwise be required by this Order to conduct a background investigation may accept as valid any background investigation conducted by another agency and any security clearance or approval

granted by another agency regarding any particular person. When a person is undergoes a background investigation, the investigation shall include a National Agency Security Check (NASC). A NASC shall consist of a records check by appropriate agencies of the Executive Branch to ascertain whether they possess information which they have reason to believe would disqualify a person for access to classified information. Disqualifying information disseminated in response to a NASC shall not include information regarding the suitability of a person for federal employment unless that information is of security significance.

Section 6. Any information of security significance concerning any person developed by an agency during the course of a background investigation, or otherwise, may be disseminated only to the security offices of other Executive Branch agencies, and to the FBI if a violation of law may have occurred, under tight controls and on a strict need-to-know basis. Such information may be disseminated without a confrontation of the source or sources of that information when the confidentiality of the source or sources has been assured by the agency collecting the information or when confrontation would disclose a method of security processing or intelligence gathering. Any agency, other than the FBI, that receives such information from another agency shall only use that information as a basis for conducting a de novo security investigation and evaluation of any issues raised by that informa-

Section 7. Failure to meet an agency's security standards or to comply with an agency's security regulations, such as the mishandling of classified information by unauthorized disclosure or otherwise, is sufficient cause for withdrawing a security clearance or approval, and for taking other administrative action, including suspension and termination of employment under 5 U.S.C. § 7531, et seq., or any other provisions of law deemed appropriate by the agency concerned.

Section 8. Each agency shall promulgate appropriate regulations to implement this Order. This Order supplements the Atomic Energy Act of 1954 and Public Law 88-290. Executive Order

10865 shall be modified as necessary to be made consistent with this Order. Executive Order 10450 is hereby rescinded.

Ronald Peagan